



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
MAY 14, 2009**

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**FORMER SALES REPRESENTATIVE PLEADS GUILTY
TO INSIDER TRADING SCHEME**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that FREDERICK E. BOWERS pleaded guilty today to insider trading charges before United States District Judge GEORGE B. DANIELS in Manhattan federal court. According to the Information to which BOWERS pleaded guilty and statements made during the guilty plea proceeding:

BOWERS was a sales representative at a multinational investment bank and broker-dealer (the "Bank") in New York, New York. BOWERS obtained material nonpublic information about at least two mergers and acquisitions from a co-conspirator business partner of his. The business partner, in turn, obtained the information from his wife, who worked at an international communications firm, and who expected her husband to keep confidential any material nonpublic information he learned about her and her firm's work. Instead, her husband gave the information to BOWERS, who passed it on to a client, who in turn used the information to trade in the securities of companies involved in two different deals. Specifically, from December 2005 through December 2007, BOWERS' client traded on inside information regarding mergers and acquisitions involving Azstar Corporation and Mercantile Bankshares Corporation, earning tens of thousands of dollars of illegal profits. In exchange for providing the material nonpublic information, the client paid BOWERS and his business partner a total of approximately \$12,000 in cash.

At today's proceeding, BOWERS pleaded guilty to one count of conspiracy to commit insider trading and one count of insider trading. He also agreed to forfeit the proceeds of the scheme, including \$12,000 in cash payments.

BOWERS, 41, of New York, New York, faces a maximum sentence of 5 years in prison on the conspiracy charge and 20

years in prison on the insider trading charge. He is scheduled to be sentenced by Judge DANIELS on August 20, 2009 at 9:45 a.m.

Mr. DASSIN praised the work of the Federal Bureau of Investigation, and thanked the United States Securities and Exchange Commission for its assistance. He added that the investigation is continuing.

Assistant United States Attorneys JOAN M. LOUGHNANE and REED M. BRODSKY are in charge of the prosecution.

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